

GIPSA Update – June 15, 2011

Farm and consumer groups, the Government Accountability Office, and USDA's Inspector General have repeatedly **questioned** USDA's failed enforcement of the 1921 Packers and Stockyards Act. The 2008 Farm bill mandated that USDA enforce this act, **designed** to establish **fair pricing and markets** in the meat production and processing industry. USDA finally released their proposed GIPSA (Grain Inspection, Packers and Stockyards Administration) rules on June 22, 2010, but their efforts to improve the economic viability of our nation's independent meat and dairy producers **are at risk of derailment**.

Big meat's influence on the House

House Agriculture Committee members have **worked** to obstruct implementation of the proposed rules since the start of the new (112th) Congress. **This spring**, the House **Ag** Subcommittee on Livestock, Dairy, and Poultry held hearings to "examine the state" of the beef, poultry, and hog industries. Only **trade associations representing the large** meatpackers and processors, including Cargill, National Cattlemen's Beef Association, National Pork Producers Council, National Chicken Council and National Turkey Federation, were allowed to testify. Not one unaffiliated, independent producer's voice was heard.

Industry representatives **denounced the** rules, **claiming** that implementing market fairness would over-exceed the 2008 farm bill's mandates. The National Chicken Council argued it would cost the industry \$1 billion in the first five years, create uncertainty within the marketplace, threaten the competitiveness of American agriculture, and disrupt a relationship between contractors and growers that "...has been successfully conducted for more than five decades." A Cargill representative stated that GIPSA's enforcement would be the greatest threat to the industry he had seen in his 35-year career.

Industry pressure has led to eroded Congressional support. On May 18, 147 **Congressional members** engaged in "[shameful kowtowing](#)" to the meat lobbies, per Wenonah Hauter of Food and Water Watch, by signing a bipartisan [letter](#) to **Secretary Vilsack** opposing the rule. The latest blow **was struck** May 31, when the Agriculture Appropriations Committee passed its Fiscal Year 2012 budget with a provision (called a "rider") de-funding GIPSA **to prevent** its implementation.

The full House of Representatives brought the agriculture budget bill to the floor on Tuesday, June 14. Meanwhile, the **Obama Administration issued a statement** outlining its official position on the House bill. It included encouraging language about GIPSA, which follows:

"Restrictions on Finalizing USDA Regulations. The Administration opposes the inclusion of section 721 of the bill, which effectively prevents USDA's Grain Inspection, Packers and Stockyards Administration from finalizing a rule on conduct that would violate the Packers and Stockyards Act of 1921. The final rule has not yet been published and any concerns about the rule are better addressed through the standard rulemaking process than through an appropriations rider."

In other words, **USDA should be able to finish writing the final rule, and Congress should stay out of it**. This statement is important because it could become the basis of a future presidential veto on the bill. Currently, the House has not yet voted on the bill. Rep. Marcy Kaptur (D-OH) considered offering an amendment to fix the anti-GIPSA language, but instead she and others are going to speak in support of GIPSA on the floor.

On the ground, support of GIPSA has **remained** strong. **More than 60,000 public comments were submitted to USDA between June and November 2010, most of which favored implementation**. In **April**, 140 organizations **signed** a letter in **support of a final GIPSA rule to members** of the [House](#) and

[Senate](#) Agriculture and Appropriation Committees. The American Farm Bureau Federation has **also voiced** its support of USDA's process and its opposition to House leaderships' attempt to **disrupt** the rulemaking process. In early June, RAFI-USA sponsored a fly-in for contract poultry growers to lobby the Senate in support of the proposed rule, assisted by NFFC and other allies.

Pressure needed from voices on the ground

NFFC and allies are working to educate senators on this critical issue to make sure that they take a stand for the GIPSA rule and reject the House's recent actions. USDA must follow through on its intent and publish the final GIPSA rules now as meatpackers and processors consolidate further, **exerting ever** more power over our food system.

What **are the current pressure points**? In addition to Congress, **the Administration must** stand up for family farmers. A coalition of groups is organizing call-ins to the White House during the week of June 20, honoring the **one-year** anniversary of the date the proposed rules were released, and the **three-year** anniversary of the 2008 Farm Bill's signing. We have sent out an action alert to forward to your members, partners, and networks.